

(Draft – Awaiting Approval)
MINUTES OF THE
UTAH INTERNATIONAL RELATIONS AND TRADE COMMISSION
Tuesday, May 19, 2015 – 9:00 a.m. – Room 445 State Capitol

Members Present:

Sen. Mark B. Madsen, Senate Chair
Rep. Eric K. Hutchings, House Chair
Sen. Gene Davis
Rep. Patrice M. Arent
Rep. Keith Grover
Rep. Robert M. Spendlove
Mr. Brett W. Heimburger
Mr. Christopher T. Pieper

Members Absent:

Sen. Peter C. Knudson
Rep. Justin J. Miller
Mr. Kirk L. Jowers

Staff Present:

Mr. Richard C. North, Policy Analyst
Mr. Robert H. Rees, Associate General Counsel
Ms. Debra Hale, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Commission Business

Chair Hutchings called the meeting to order at 9:17 a.m.

Chair Hutchings welcomed new commission members Sen. Davis and Rep. Arent and introduced Mr. Pieper.

Chair Hutchings described the mission of the commission is to gather and discuss ideas regarding priorities and opportunities; conduct policy discussions; inform the Legislature, the Attorney General's office, and the Governor's Office of Economic Development; and to investigate international finance, foreign direct investment, and higher education opportunities.

Sen. Madsen expressed the desire of the commission to share the satisfaction of witnessing the development of Utah trade products and how they improve the standard of living in the state and around the world.

Chair Hutchings stated that Utah has entertained over 400 formal international delegations. He stressed the reason this commission is termed "International Relations and Trade" is because building a positive global partnership mentality is what leads to trade. He said that Utah has exported approximately \$12 billion in products.

MOTION: Sen. Madsen moved to approve the minutes of the July 17, 2014, meeting. The motion passed unanimously. Rep. Spendlove was absent for the vote.

2. Legislative Trade / Diplomacy Mission Report: Peru

Sen. Madsen reviewed highlights of a legislative trade and diplomacy mission to Peru in March of this year.

Mr. David Utrilla, Utah Honorary Consul – Peru, stressed the strong and prosperous relationship Peru has with Utah. He said that 60 years ago, a person from Utah invented the national drink of Peru, which is now recognized around the world. Previous to this occurrence, most Peruvians had not heard of Utah, said Mr. Utrilla, but Utah is now one of Peru's top five trade partners. He said that all other states' trade with

Peru constitutes only half of the country's total trade activities, and 40,000 Peruvians are currently living in and contributing to Utah's economy.

Mr. Utrilla said, with the trust that has been established, Peruvians choose to do business with Utah. He reviewed some of the recent diplomatic interactions and trade activities of Peru and Utah:

- 1) Commerce – minerals, organic fruits and vegetables, grains, and the processing into useable products;
- 2) Education – exchange programs for students and professors in science, technology, agriculture, and dual immersion language programs;
- 3) Humanitarian efforts of Utah – aids those in remote areas of Peru and lays a foundation of trust;
- 4) Government relations – delegation visits have been scheduled as a result of a six-year bilateral relationship between Utah and Peru
- 5) Consular services of Utah – assist Peruvian nationals with consular documentation; information regarding business opportunities, training, law, and health; and supports Utah events to promote the Peruvian culture.

Mr. Utrilla suggested that a relationship with the Pacific Alliance, a Latin American trade bloc, could prove to be very beneficial to the state. He said the numerous financial and human resources that Utah's government and private community contribute build beneficial relationships and are a great taxpayer investment. He sees education and employment opportunities and an increased quality of life as a result of the relationships between Utah and Peru.

Mr. Heimburger said that 95% of international customers for Utah products are outside of the U.S. He expressed the appreciation of the International Trade and Diplomacy Office for the valuable resource Mr. Utrilla provides as he constantly seeks mutually beneficial trade opportunities.

Mr. Heimburger added that Utah has four full-time international trade reps and 37 part-time consular generals to provide international access and resources for businesses to conduct trade with Utah.

At the request of the commission, Mr. Heimburger directed staff to <http://www.utahconsuls.org/index.php/directory>, where a full record of Utah Consular Corps member countries and their members is available.

3. Legislative Trade Mission Report: Switzerland

Rep. Jacob L. Anderegg, Utah House of Representatives, reported on a 2014 legislative trade mission to Switzerland and the developing international trade relationship between Utah and Switzerland. He summarized discussions with several Swiss manufacturers including rail cars and high altitude helicopters. He said that Mr. Peter Spuhler, founder and CEO of Stadler Rail, a \$2 billion rail car manufacturer, will bring a delegation to visit Utah in June of 2015 to discuss building a manufacturing plant in the state for all types of rail cars, including environmentally friendly electric cars.

Rep. Anderegg outlined the business delegations from Switzerland he is hoping will visit Utah to investigate business investment, thereby witnessing the state's highly educated, ethical work force; low cost of living; and diverse language abilities.

4. Legislative Trade / Diplomacy Mission Report: Peru, Chile, and Colombia

Sen. Madsen reported on the upcoming May – June 2015 legislative trade mission to Peru, Chile, and Colombia. He said that this nine-day mission is designed to build diplomatic relationships and develop

international trade opportunities. As part of the mission, he stated, discussions will also be held regarding the honorary consul nominees to Chile and Colombia.

5. Uranium Mining / Claims / Ownership – Private, State, Federal

The following three presenters discussed existing uranium mines, production, claims, and ownership by: 1) private entities (including foreign companies and governments); 2) state lands, such as the School and Institutional Trust Lands Administration (SITLA); and 3) federal lands. They discussed the state's two active uranium mines, the Shootaring and the White Mesa, and stated that there are numerous other inactive mines; however, none of the mines produce high-grade uranium ore.

Mr. John Baza, Director, Utah Division of Oil, Gas, and Mining, discussed the need to insure responsible development of Utah's mining resources.

Mr. David Tabet, Energy and Minerals Program Manager, Utah Geological Survey, gave a visual presentation "Utah Uranium Geology, Mining History and Market Potential" on the geology, history, and market potential for mining Utah uranium deposits:

- 1) Utah has small, low-grade, sediment-hosted uranium deposits, mainly in southeastern Utah;
- 2) Utah uranium mines tend to be high-cost, which allow swing producers to only mine when price spikes occur; and
- 3) Larger, higher-grade, cheaper-to-produce deposits in Australia, Canada, and central Asia dominate the world market now and for the foreseeable future.

Mr. Tabet concluded that

- 1) Utah has small low-grade uranium deposits;
- 2) Utah is a high-cost swing producer; and
- 3) cheaper supplies can be found elsewhere in the world.

Ms. Dana Dean, Associate Director – Mining, Utah Division of Oil, Gas, and Mining, discussed her visual presentation "Uranium Mining in Utah," which discussed land and mineral mines and ownership and ablation mining.

6. Other Items/Adjourn

The commission discussed possible dates and topics for a future meeting of the commission.

MOTION: Rep. Arent moved to adjourn the meeting. The motion passed unanimously. Sen. Davis and Rep. Grover were absent for the vote.

Chair Hutchings adjourned the meeting at 12:13 p.m.